

SOUND TRANSIT

MOTION NO. M99-57

**Memorandum of Agreement with Community Transit
for Capital Projects Related to ST Express
BACKGROUND AND COMMENTS**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	9/2/99	Discussion/Possible Action	Agnes Govern, Director, Regional Express	(206) 398-5037

ACTION:

Approval of Motion No. M99-57 will authorize the Executive Director to execute a memorandum of agreement with Community Transit. The purpose of the agreement is to provide \$2 million (1999\$) to Community Transit for capital investments in support of Regional Express bus services and fleet to be operated and maintained by Community Transit.

BACKGROUND:

Community Transit will operate 4 of the 18 ST Express routes under terms of a service agreement previously approved by the Sound Transit Board. The service agreement with Community Transit includes all costs related to the operations and maintenance of the fleet associated with those routes. In addition to these operating costs, *Sound Move* also included funding for maintenance related to the operation of the ST Express bus services. When *Sound Move* passed, Snohomish County had already made as many capital improvements to its maintenance facilities as needed, rendering Sound Transit's funding redundant. Therefore, this agreement transfers the *Sound Move* maintenance facilities funding to Community Transit for other, approved capital investments to be incurred by Community Transit related to its operation and maintenance of ST Express bus services and fleet. This one-time payment of \$2 million (1999\$) will cover any and all capital investments for a period of eight years, beginning September 19, 1999.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- Adoption of *Sound Move*, the Ten-Year Regional Transit System Plan (May 31, 1996).
- Approval of Motion No. M99-4, Route Allocations (January 28, 1999).
- Approval of Resolution No. R99-12, Service Agreement with Community Transit. (April 22, 1999).
- Approval of Resolution No. R99-15, Adoption of 1999 Service Implementation Plan (July 8, 1999). The 1999 Service Implementation Plan included \$2.2 million (1995\$) for maintenance facilities (and associated Sound Transit administrative costs) for the operation of ST Express bus service in Snohomish County.

KEY FEATURES:

- ◆ Sound Transit will transfer a one-time payment of \$2 million (1999\$) to Community Transit for capital investments that are not included in the 1999 Community Transit-Sound Transit Interagency Agreement for ST Bus Service Operations and Maintenance. This represents payment in full for all costs incurred by Community Transit for any and all capital investments related to its operation and

maintenance of ST Express bus services and fleet covering a period of eight years, commencing September 19, 1999. It is in lieu of Sound Transit's funding for Snohomish County's maintenance facilities.

- ◆ If Community Transit's service obligations change substantially, this agreement may be subject to renegotiation with respect to any additional funds for capital investments. If Community Transit is no longer operating bus service for Sound Transit, the parties agree to negotiate a refund on a pro-rata basis of the capital investment funds provided by Sound Transit under this Agreement.

FUNDING:

The 1999 Service Implementation Plan financial plan included a total of \$2.2 million (1995\$ or \$2.5 million in 1999\$) in Snohomish County maintenance facility costs and other capital needs associated with ST Express bus service.

ALTERNATIVES:

Rather than a one-time transfer to cover capital investments, Sound Transit could pay as expenditures occur. This is not recommended given the amount of staff and Committee time that could be consumed if this approach was followed.

CONSEQUENCES OF DELAY:

If the Finance Committee wishes to delay action on this item, there are no immediate negative consequences; however, our partnership with Community Transit will be strengthened by prompt action.

LEGAL REVIEW:

The Legal Department has approved the Background and Comments and the Motion as to legal sufficiency.

SOUND TRANSIT

MOTION NO. M99-57

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a Memorandum of Agreement with Community Transit to transfer \$2 million for capital investments in support of ST Express bus services and fleet to be operated and maintained by Community Transit.

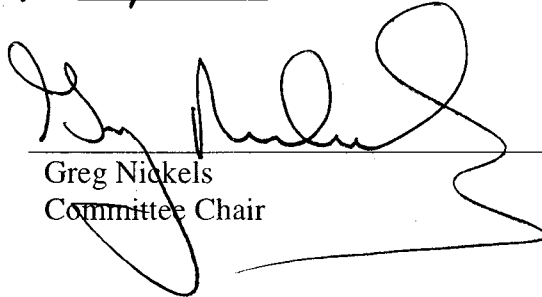
Background:

This agreement transfers a one-time payment of \$2 million to Community Transit for capital investments to be incurred by Community Transit related to its operation and maintenance of ST bus services and fleet. This payment will cover any and all capital investments for a period of eight years, beginning September 19, 1999.

Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a Memorandum of Agreement with Community Transit to provide \$2 million for capital investments in support of ST Express bus services and fleet to be operated and maintained by Community Transit

Approved by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof on the 2nd day of September, 1999.



Greg Nickels
Committee Chair

ATTEST:



Marcia Walker
Board Administrator